

# BUDGET UPDATE AND DUAL ELIGIBLE DEMONSTRATION PROJECT

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# Governor's Proposed Budget

- ▶ Significant impacts to IHSS:
  - 20% across the board trigger cut
    - In court – parties negotiating
  - Domestic/related services elimination
    - Impacts recipients in shared household (excludes homes w/all IHSS recipients)
  - Medication Dispensing Program eliminated
  - Program integrity funding eliminated
  - IHSS and other HCBC services – transitioned to Medi-Cal managed care

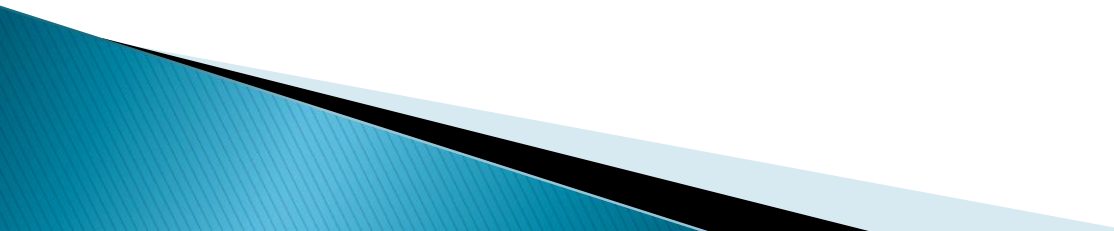
# Background – Dual Eligibles

## Who are “Dual Eligibles”?

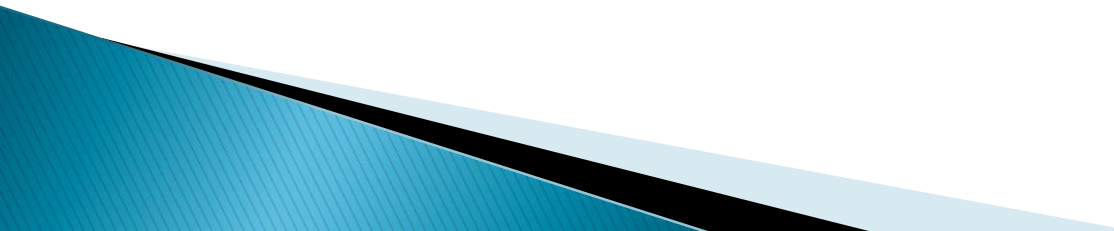
- ▶ Eligible for Full Scope Medicare (A, B & D) and Medi-Cal
- ▶ 1.2 million Duals in California
  - Older, poorer, sicker
  - 75,000 in San Diego
- ▶ 71% over 65 – multiple chronic conditions
- ▶ Less than 15% in managed care
- ▶ 85% of IHSS consumers are Duals

# Background

## Difficulty in Serving Medi-Medi's:

- ▶ Programs cover different services:
    - Medicare covers physician, hospital and limited skilled nursing, rehab.
    - Medi-Cal covers home health, personal care/IHSS, skilled nursing, other services not covered by Medicare.
  
  - ▶ Different payment rules
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# Background

- ▶ Uncoordinated care for the most vulnerable
  - ▶ Little to no follow up or link to other services
  - ▶ Unmet needs lead to hospital readmissions
  - ▶ Duals Demonstration provides opportunity to address care coordination issues
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# Background

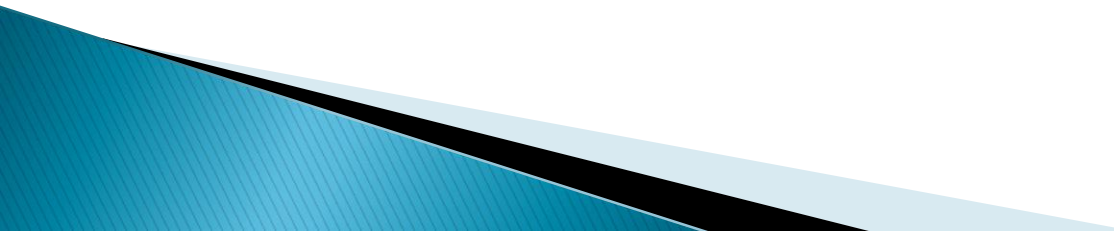
## Cost of Serving Dual Eligibles

- ▶ In 2007 – State spent \$7.6 billion Medi-Cal funding
  - Duals represent 1 in 7 Medi-Cal Enrollees but 23% of total Medi-Cal expenses
- ▶ \$21 billion combined Medi-Cal & Medicare federal and State spending on Duals

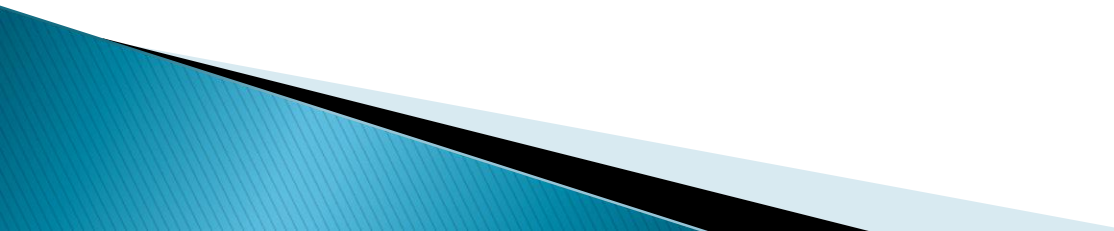
# Enabling Legislation

SB 208 (2010) – Directs DHCS to seek federal waiver/demo approval for pilot projects

Establishes Goals of the Pilot:

1. Coordinate Medi-Medi benefits and improve continuity across acute, long term & home and community-based services.
  2. Coordinate access to those services
  3. Maximize ability for duals to remain in their homes and communities through access to appropriate services and supports.
  4. Increase availability of and access to home and community based care alternatives.
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# SB 208 – Continued

- ▶ Pilot projects in up to 4 counties
  - ▶ Operated by health plans
    - At least one county will be a two-plan model
    - At least one county will be a County Organized Health System (COHS)
  - ▶ Requires Stakeholder input
  - ▶ Allows DHCS to require mandatory enrollment into managed care for Medi-Cal
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# Federal – State MOU

\$1 million planning grant from the feds (CMS) to establish pilots

## Financing:

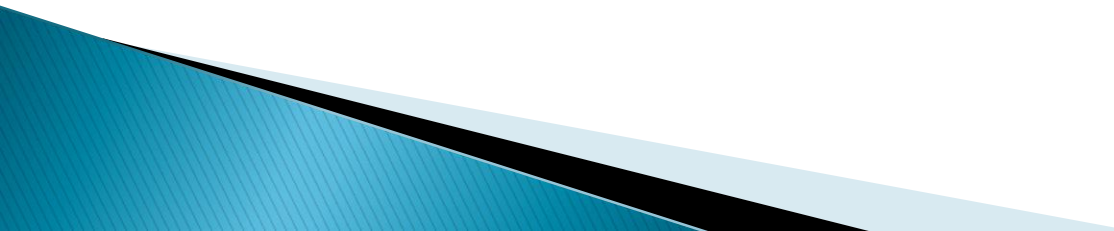
Capitated rate, three way contract

- Health plans, CMS and DHCS
- Blended capitated rate

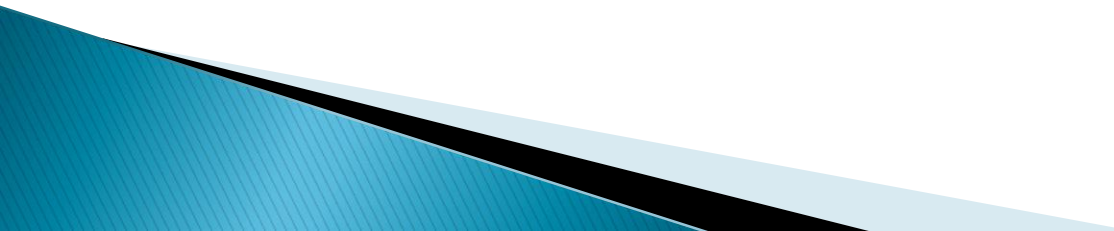
# Governor's Proposed Plan

- ▶ Expand dual eligible pilots from 4 to 10
  - Services begin Jan 2013, enrollment by birthday month
- ▶ Mandated Medi-Cal managed care for long-term care services/supports – Jan 2013
  - This will occur in counties where managed care currently exists
- ▶ Anticipated savings = \$679 M FY 12–13, \$950 M FY 13–14 (State funds)

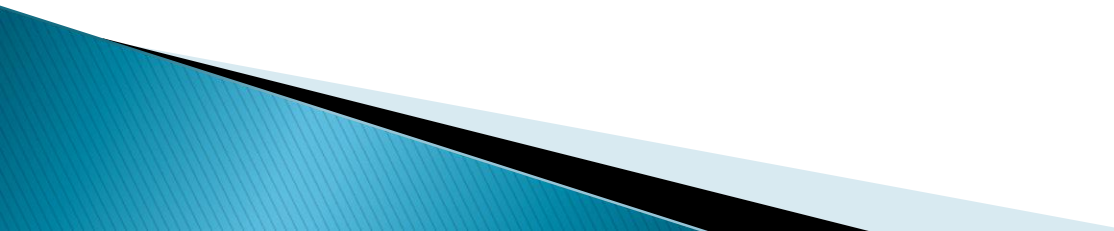
# Services to be Integrated – Duals

- ▶ Medical Services
    - All Medicare and Medi-Cal services currently covered
  - ▶ Long-term care services and supports (LTSS)
    - Institutional Long-Term Care (SNF)
    - 1915(c) waivers – MSSP, Assisted Living, Nursing Facility/Acute Hospital Waiver
    - Personal care services/IHSS
    - Community Based Adult Services Center (ADHC)
    - Multi-purpose Senior Services Program
    - Other HCBC waiver services – if approved
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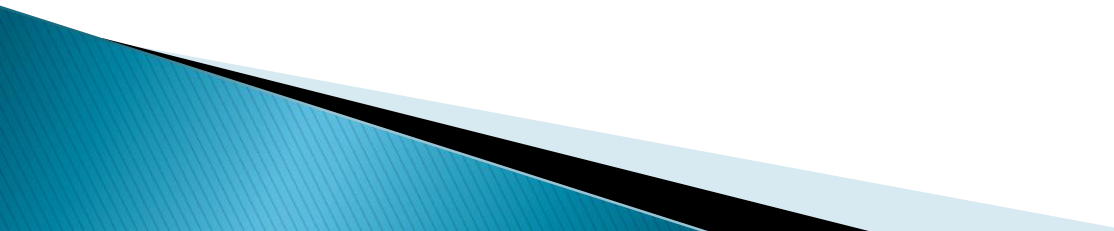
# Services to be Integrated – cont.

- ▶ Carve Outs:
    - Developmentally Disabled Waiver (Regional Center)
    - California Children's Services pilot counties (San Diego)
    - PACE enrollees
    - AIDS Healthcare Foundation enrollees
  - ▶ Behavioral Health services – fully integrated by January 2015
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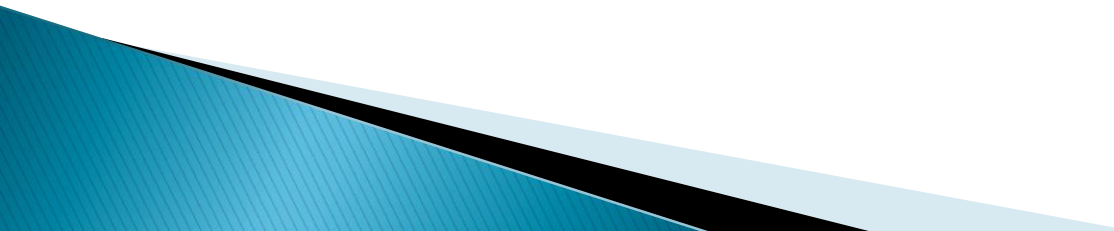
# Other Required Elements

- ▶ Pharmacy coverage (Part D coverage required)
  - ▶ Person Centered Care Coordination
  - ▶ Supplementary Benefits – required now to ‘coordinate’ additional benefits like Meals on Wheels, housing, services provided by ILC, ADRC
  - ▶ Meaningful involvement of stakeholders in developing and operating program
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# Mandatory Requirements

- ▶ Knox–Keene licensed
  - ▶ At least one plan must have a dual eligible special needs plan
  - ▶ At least two (of five) health plans must have current Medi–Cal managed care contract
  - ▶ Must cover entire county
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# Important Issues Noted

- ▶ Consumer protections for individuals receiving health and LTSS from managed care health plans
  - ▶ Need for uniform assessment tool for home & community based services
  - ▶ Consumer choice and protection in selecting providers:
    - Including IHSS home care workers
    - Other network providers
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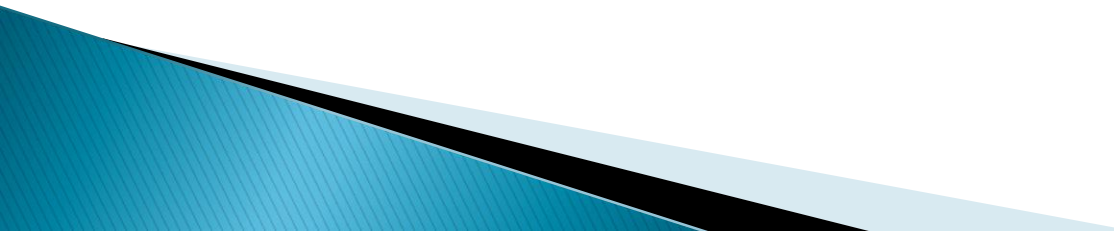
# IHSS & MSSP Impacts

- ▶ Year 1 – Health Plans must contract with IHSS & Public Authority
  - Consumers retain right to hire, fire, schedule, supervise providers
  - IHSS social workers continue current procedures
  - Wages/benefits locally bargained through Public Authority
  - IHSS providers paid as they are now – CMIPS
- ▶ IHSS legislative language pending
- ▶ MSSP – proposed language includes continued contracting with current sites
- ▶ Years 2 & 3 – plans can choose to take on ‘increasing responsibility’

# Timeline

February 24, 2012	Request for Solutions due
Mid-late March	DHCS announces sites
Mid-late March	DHCS releases draft proposal for 30-day State comment period
Mid-late April	DHCS closes comment period & updates proposal
Late April, early May	DHCS submits proposal to feds (30-day public comment period begins)
January 2013	Dual Eligible demonstration begins Proposed: expand to 10 sites Proposed: IHSS, MSSP, CBAS, SNF into Medi-Cal managed care
January 2014	Expand duals demonstration Expand Medi-Cal managed care
January 2015	All duals in Managed Care

# County Role

- ▶ Provide plans with Letters of Agreement to Work in Good Faith
  - ▶ Bring plans together to discuss key issues
  - ▶ Work internally and with County Welfare Director's Organization and California Association of Area Agencies on Aging to define county role
  - ▶ Educate community and stakeholders
  - ▶ Explore use of County funds for IHSS as part of the capitated rate
    - Actuarial analysis planned
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# Time of Significant Change

- ▶ Next five years will definitely bring great change to service array in California
    - Greater emphasis placed on saving money and improving care coordination
    - Need for improved access and service delivery prior to wave of baby boomers
  - ▶ Important to be proactive in developing and promoting our preferred model
  - ▶ Changing times bring new partners and opportunities
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